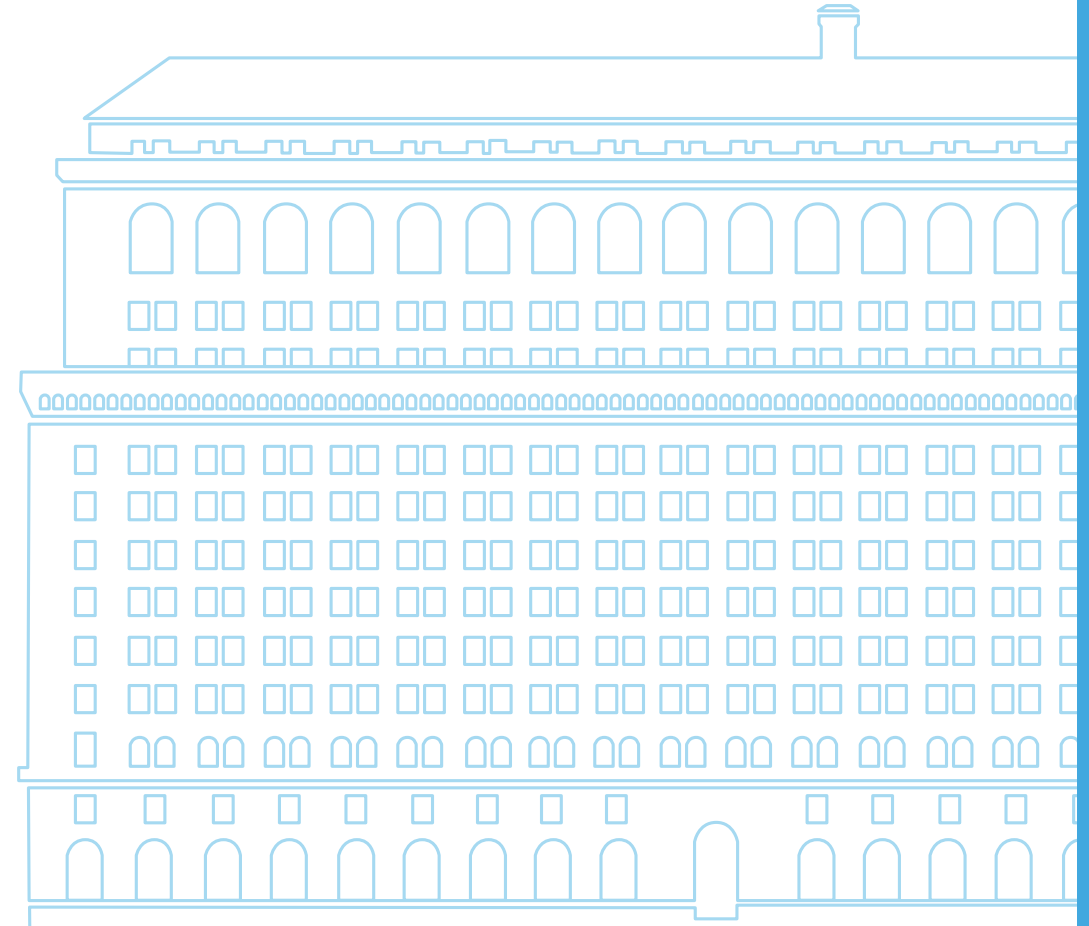


Community Development: Making Missing Markets

Presented by:
David Erickson, Head of Outreach & Education
Otho Kerr, Director of Strategic Partnerships and Impact Investing
Claire Kramer Mills, Director of Community Development Analysis

Community Advisory Group



Community Development



Our Strategic Plan & Efforts

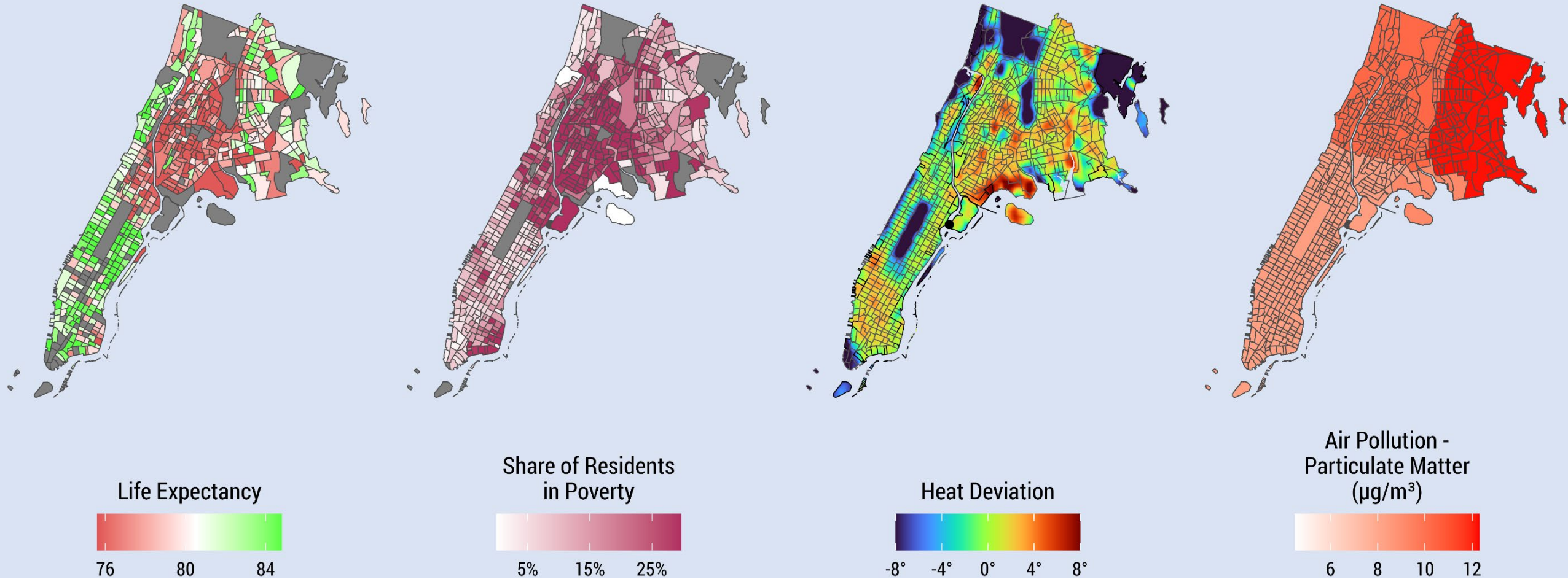
- What is Community Development?
- Educate, influence, and catalyze capital providers
- Advance groundbreaking ideas and initiatives
- Build and maintain stakeholder relationships
- Focus on Climate, Health Equity, Household Financial Well-being, and Capital Connections



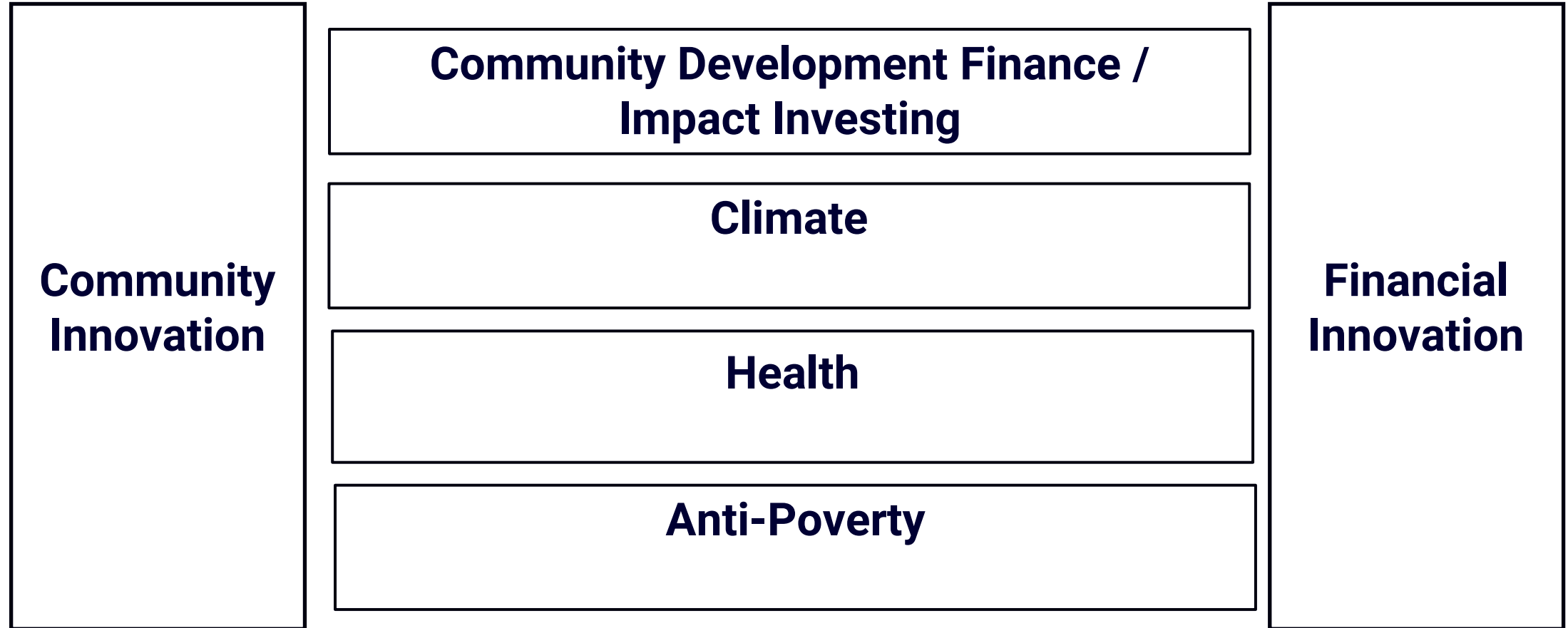
Making Missing Markets: What It Is

- Need to foster new financial strategies for communities that need new resources to confront multiple overlapping challenges (economic, health, and climate)
- Collaborative community innovation and financial instruments will help to establish the “missing market” for thriving neighborhoods
- Federalist Paper No 10: The value of making the problem bigger

Making Missing Markets: Why



Making Missing Markets: How



Intermediating Impact

The Bank continues to be a neutral and independent convener for thought leaders with diverse perspectives to share insights and discuss innovative policy proposals.

Intermediating Impact Convening

- In November 2023, 11 Design Teams spanning areas of climate, health equity, rural development and community development finance discussed innovations, barriers and opportunities for future work and collaboration

Community Impact Initiative

- These Design Teams are tasked with bringing the worlds of community development finance and social impact together
- Their progress will be discussed at the next Intermediating Impact Convening on November 14, 2024, with remarks expected by President John C. Williams

Design Team Roster

Groups of industry leaders leverage resources and insight from within and outside the New York Fed to drive innovation around specific challenges facing low-to-moderate income communities.

We hope that with institutional support, and a forum for collaboration, these teams can achieve real cross-sector solutions development.

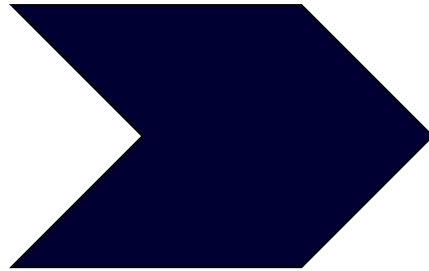
- Financing Vehicles to Scale Clean Affordable Housing
- Intermediating Impact: Bringing Together CDFIs and Impact Investors
- Financial Innovation to Benefit Low Income Communities
- Social Prescribing
- A National Investment Strategy for Equitable Well-Being
- Equity Capital for Nonprofits
- Equity Capital for CDFIs
- How Communities Absorb Investment Effectively
- Climate Justice Investing
- Rural Economic Development and Systems Mapping
- Digital Equity
- Arts and Community Development
- Flourishing Neighborhoods
- Community Health Workers
- The Eastside Movement: Moving Disparity to Prosperity
- Systems-Level Investment Integration

Example: Closing the Digital Divide

Closing the Digital Divide

Why It Matters

- Employment
- Workforce Development
- Health
- Education



Community Economic Vitality

Closing the Digital Divide: Primer

The Digital Divide

- 42 million people in U.S. live without internet connection
- 120 million people lack broadband access
- Barriers to Adoption (Versus Access)
 - Affordability
 - Insufficient Digital Skills
 - Affordable Devices
- Digital divide reinforces racial and economic inequalities:
 - 29% of Black households, 35% of Latinos and 32% of tribal-land residents lack broadband at home
 - 38% of African Americans don't have home internet connection

The Chronicle of Philanthropy, October 24, 2022

Closing the Digital Divide: Funding

The Opportunity

- \$250 billion is needed to close the digital divide

The Chronicle of Philanthropy, October 24, 2022

Investment in Infrastructure and Jobs Act (IIJA)

- **Broadband, Equity, Access, and Deployment (BEAD):** \$42.45 billion to expand high-speed internet access
- **Digital Equity Act (DEA):** \$2.75 billion to implement digital equity plans

Closing the Digital Divide: Our Role

Research: Understanding Digital Inequities in the Northeast

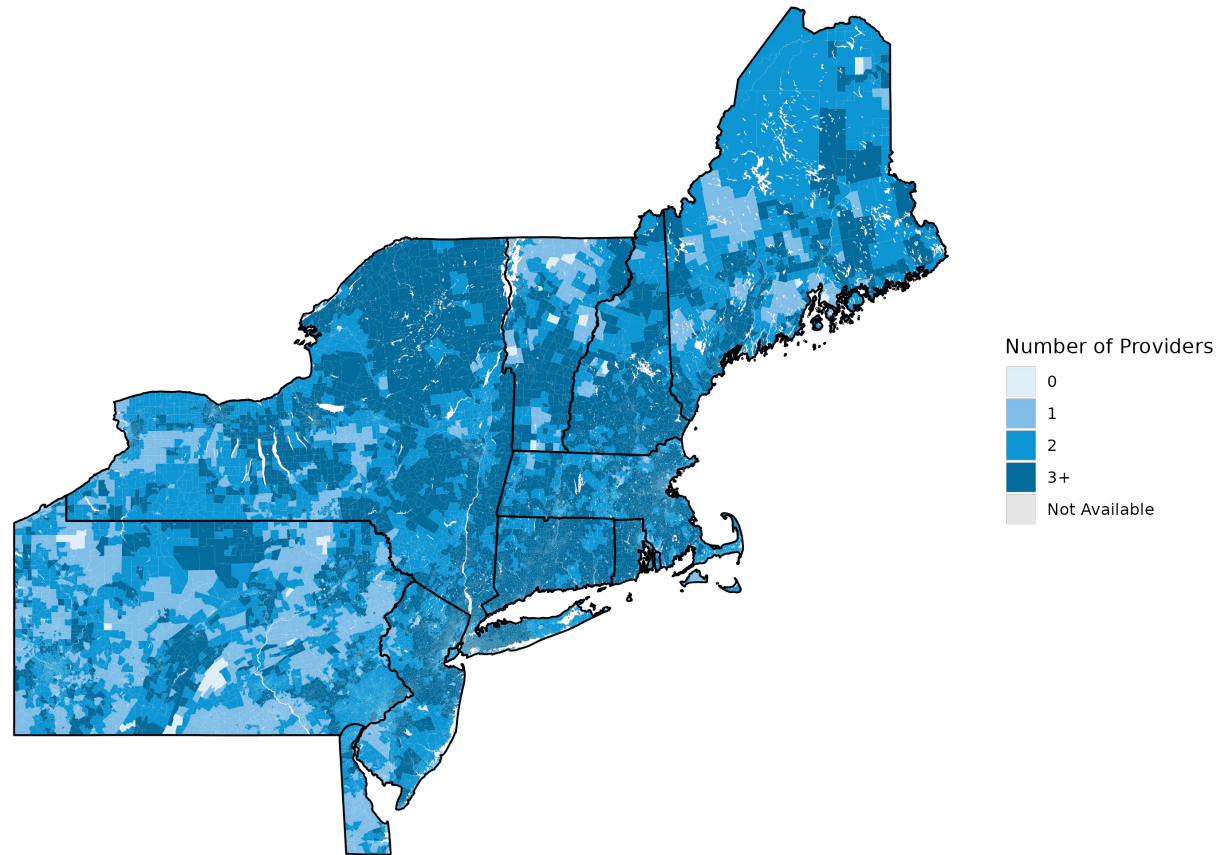
- Extracting insights on broadband access, speed, and affordability
- Providing an additional resource to Northeastern states
- Taking stock of publicly available data on digital equity

Convening: Bringing Cross-sector Partners that Work on Issues Impacting Low- and Moderate-Income Communities

- Engaging members of state administering entities to develop implementation strategies under the Digital Equity Act
- Hosted a roundtable discussion in February to discuss sustainable financing of broadband and digital equity
- Hosting a roundtable discussion on June 17 to discuss philanthropic investments in community broadband

Closing the Digital Divide: Research

Internet Providers (at least 100/20 Mbps) in the Northeast



- Many areas served by more than 3 providers
- Rural areas see more instances of 1-2 providers